

Subject Solar energy

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Overview

H.F. 3368, as amended by the DE2 amendment, alters solar energy programs as follows:

- Requires Xcel Energy to offer a new distributed solar generation tariff to solar generators with a capacity between three and ten megawatts
- Makes mandatory rather than voluntary Xcel's offering a "value of solar" tariff to commercial and industrial generators with a capacity below one megawatt
- Increases the capacity of a community solar garden from one to three megawatts, and limits the aggregate capacity of new solar gardens a utility may add to its system annually to 225 megawatts
- Establishes a new category of community solar garden, a community access project, in which at least half the garden's capacity is subscribed by residential customers, and excess generation is compensated at the utility's retail rate rather than the "value of solar" rate

Summary

Section	Description
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1	[216B.1615] Distributed solar generation tariff.
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Subd. 1. Application. Specifies that the distributed solar generation tariff applies to solar generating systems with a capacity between three and ten megawatts that interconnect with Xcel Energy's distribution system.

Subd. 2. Tariff filing. Requires Xcel to file a tariff with the Public Utilities Commission by January 1, 2021, that consists of its commission-approved value of solar tariff (established in section 216B.164, subd. 10) less the environmental value of solar energy.

Section	Description
	<p>Subd. 3. Commission review; approval. Specifies the conditions the tariff must meet in order to be approved by the commission.</p> <p>Subd. 4. Tariff updates. Requires the tariff rate to be recalculated annually.</p> <p>Subd. 5. Renewable energy credits. Specifies that renewable energy credits generated by facilities under the tariff are owned by the generator.</p>
2	<p>[216B.164] Cogeneration and small power production.</p> <p>Subd. 10. Alternative tariff; compensation for resource value. Specifies that a public utility may apply to the commission for approval of a “value of solar” tariff for residential customers, and must do so for commercial and industrial customers. Specifies that renewable energy credits generated by residential customers or solar gardens are retained by the electric utility, while those generated by commercial and industrial customers belong to the customer.</p>
3	<p>[216B.1641] Community solar garden.</p> <p>Subd. 1. Definitions.</p> <p>Subd. 2. Solar garden; project requirements. Requires Xcel to file by September 30, 2020, for commission approval a plan that limits the capacity of new solar gardens at 225 megawatts annually, beginning in 2021.</p> <p>Increases the maximum capacity of a solar garden from one to three megawatts.</p> <p>Provides an exception to the requirement that solar garden subscribers be located in the same county in which the solar garden is located, or a contiguous county, for gardens: 1) with a minimum setback of 100 feet from the closest residential property; and 2) that reserve at least 10 percent of the garden’s capacity for residential subscribers.</p> <p>Provides that, except as provided under subdivision 5, the rate at which a utility purchases excess electricity generated by a solar garden is the three-year rolling average rate calculated under the “value of service” tariff, rather than the most recent year’s rate.</p> <p>Subd. 3. Solar garden plan; requirements; nonutility status. Adds several consumer protection provisions to a utility’s solar garden plan that must receive commission approval.</p> <p>Subd. 4. Community access project; eligibility. Allows a utility to designate a solar garden as a community access project (CAP) if it commits to: 1) have 50 percent of its capacity owned by residential subscribers; 2) not discriminate among potential subscribers based on income or credit score; and 3) convene at</p>

Section **Description**

least one annual meeting between subscribers and the garden owner or manager.

Subd. 5. Community access project; financial arrangements. Requires the utility to purchase all energy generated by the garden at the retail rate, and limits to one cent per watt of generating capacity the amount a utility may charge a CAP owner for any refundable deposit required during the application process. Specifies that all renewable energy credits generated by the CAP belong to subscribers unless the owner specifies otherwise. A CAP owner may require the utility to allow for any required lump sum payments to be paid via an on-bill repayment program.

Subd. 6. Community access project; reporting. Lists information a CAP owner must include in an annual report to subscribers.

Subd. 7. Commission order. Requires the commission to issue an order reflecting the provisions of this act within 180 days of its effective date.

4 **[216B.2422] Resource planning; renewable energy.**

Subd. 3. Environmental costs. Requires a utility to use the environmental costs established by the commission when evaluating power purchase agreements, in addition to using it in other proceedings. Requires the commission to consider the environmental costs it establishes when evaluating utility resource options.



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